DOCUMENT RESUME

ED 339 314 HE 025 099

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TITLE Of Strategy and Support: Formal Planning and Effective Fund Raising in Higher Education. ASHE Annual Meeting Paper.
PUB DATE Nov 91
NOTE 27p.; Paper presented at the Annual Meeting of the Association for the Study of Higher Education (Boston, MA, October 31-November 3, 1991).
PUB TYPE Speeches/Conference Papers (150) -- Reports - Research/Technical (143)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Colleges; Comparative Analysis; Corporate Support; *Educational Finance; Financial Needs; *Fund Raising; Higher Education; *Planning; Program Effectiveness; *School Support; Universities
IDENTIFIERS *ASHE Annual Meeting; Incrementalism (Decision Making); *Strategic Planning

ABSTRACT

Research was conducted to investigate: (1) whether institutions with any formal campus-wide planning process are significantly more effective at fund raising than their counterparts which lack such a process; (2) whether institutions that engage in overall strategic planning are significantly more effective at raising funds than their peers which engage in other planning processes; and (3) whether institutions having both an overall strategic plan and a strategic plan for development/fund raising prove the most effective at raising funds. Data were analyzed from 107 of 127 campuses responding to a planning survey. Predicted fund raising ability was examined within those institutions having no formal planning process as well as those employing strategic planning, incrementalism, or some other form of planning methodology. Among the findings was that, while over 13% of the campuses with no formal planning process were still effective in raising funds, the percentage of institutions gaining effective support from foundations was lower among colleges with no formal planning process compared to those using strategic planning. Also, the effectiveness of raising funds from corporations proved lower from institutions with no planning process versus those employing incrementalism. The study concluded that there is a relationship between strategic planning and the effective cultivation of foundation support. Contains 47 references. (GLR)

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OF STRATEGY AND SUPPORT:

FORMAL PLANNING AND EFFECTIVE FUND RAISING IN HIGHER EDUCATION

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Paper presented at the annual meeting of the
Association for the Study of Higher Education
Boston, Massachusetts
October 31 - November 3, 1991

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This paper was presented at the annual meeting of the Association for the Study of Higher Education held at the Park Plaza Hotel & Towers in Boston, Massachusetts, October 31-November 3, 1991. This paper was reviewed by ASHE and was judged to be of high quality and of interest to others concerned with the research of higher education. It has therefore been selected to be included in the ERIC collection of ASHE conference papers.

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Introduction

> We wish to establish in the upper & healthier country, & more centrally for the state an University on a plan so broad & liberal & modern, as to be worth patronizing with the public support. . . The first step is to obtain a good plan.
> (Jefferson quoted in Hofstadter and Smith, 1968, p. 175)

Two essential "P's" -- planning and patronage -- characterize this two-centuries-old excerpt conveying Thomas Jefferson's vision for a yet unchartered University of Virginia. Nineteen years later, Jefferson's dream moved closer to reality with a $15,000 appropriation from the state's General Assembly and a subsequent loan of $180,000 (Dabney, 1981). In the economic climate of the 1990s, fund raising also holds top priority as many existing colleges and universities across the United States seek to preserve the quality of their essential core. As Chaffee (1990) suggests, the one generalization about the current overall environment that may "generate universal agreement is that changes, complexities, and unexpected events will continue to increase in frequency" (p. 59). Given declining enrollments due to demographics and the increasing instability of individual financial situations, institutions face heightened competition and, in numerous cases, severe budgetary crises. Consequently, both public and private institutions are now pursuing fund raising

with equal vigor. Fund-raising success is particularly crucial in the private, liberal arts sector where, for many small colleges, survival itself may be at stake (Glennon, 1986). "Many colleges are troubled by inflation and shrinking applicant pools, but small independent colleges are the group most crucially threatened by these conditions" (Hammond, 1984, p. 360). Among such institutions, the less resilient are more tuition dependent and have much smaller endowments (Chaffee, 1984).

As Jefferson observed nearly 200 years ago, the foundation for any fund raising ultimately lies in the institutional planning process. Planning provides the basis from which the campaign will reach its potential (Bailey, 1987; Whaley, 1986; Whittier, 1980; Willmer, 1981). Whether or not an institution embarks upon a fund-raising campaign, it must have a fund-raising plan which relates institutional goals to financial goals, identifies general strategies for achieving goals, states the rationale for advancing the institution, and lists the college's current needs and gift opportunities (Buchanan, 1981). Planning efforts help institutional participants better understand the vital strategic relationship between internal capabilities and external opportunities.

Despite the critical connections linking planning, institutional mission, long-term institutional health and viability, and development efforts, fund raising is one area within higher education which remains under-researched and under-informed by theory (Brittingham and Pezzullo, 1990; Dunn, 1989; Grace, 1989). Of the relatively few existing studies, a sizable proportion has concentrated on donor characteristics and gift prediction. A comprehensive picture of fund-raising effectiveness is only now beginning to emerge through the in-depth explorations of Loessin and Duronio (1989a; 1989b; 1990). Analyzing case studies of ten campuses with effective fund-raising programs, these researchers discovered that institutions without formal fund-raising

planning also lacked formal campus-wide planning processes and, in such circumstances, institutional mission was communicated informally. Glennon's (1986) earlier analysis of three campuses found planning and evaluation, "either in their implementation or their absence" to be critical factors contributing to or minimizing fund-raising success. "Where planning and evaluation were merely given lip service, the program was least effective" (p. 26). Such findings raise further questions as to exactly how planning efforts -- and specific types of planning processes -- relate to fund-raising effectiveness. And, what planning processes, if any, are associated with institutions having fund-raising programs which do not live up to their full potential?

Objectives

The present study weaves strands from both planning and philanthropic literature to explore such questions in the small, private liberal arts college setting. Specifically, the research investigates: (1) whether institutions with any formal campus-wide planning process are significantly more effective at fund raising than their counterparts which lack such a process; (2) whether institutions that engage in overall strategic planning are significantly more effective at raising funds than their peers which engage in other planning processes; and (3) whether institutions having both an overall strategic plan and a strategic plan for development/fund raising prove the most effective at raising funds. Given Glennon's (1986) discussion of the importance of planning in relation to fund raising, the researchers hypothesized that institutions with no formal planning process would be less successful fund raisers (e.g., fail to meet their full fund raising potential). On the other hand, the strategic planning orientation toward strengths, toward environmental opportunities, and toward the future suggests that colleges employing that planning method would prove the most effective fund raisers. Institutions coupling an overall strategic plan

with a strategic plan for advancement should experience still greater success.

Theoretical Framework

Fund Raising

Alumni remain the single greatest source of voluntary support for higher education, with gifts totalling $2.54 billion or 25.9% of the $9.8 billion received in 1989-90 ("Sources of Voluntary Support," 1991). According to Council for Aid to Education figures, other individuals, corporations, and foundations respectively provide 22.8%, 22.1%, and 19.6% of the total. As noted above, institutions of all types are increasingly seeking such philanthropic support, and intense competition for these finite dollars poses particular challenges for the small, independent liberal arts college. In addition, the current economic climate has led some potential benefactors to reexamine their allegiance to higher education. Economic uncertainty has raised caution in donors; "people are concerned about the recession" and tend to put off discussions about major gifts (McMillen, 1991, p. A29); a growing number of non-profit agencies are clamoring for assistance; and some younger philanthropists prefer contributing to direct social-action projects rather than to alma mater (Greene, 1989). Even corporate contributions -- which increased sharply during the late 1970's and early 1980's -- rose only 2.4% in 1990 (Grassmuck, 1991). A survey reported in the September 5, 1990, Chronicle of Higher Education further attests to the dilemma: Twenty-two percent of the senior administrators in U.S. liberal arts institutions cited fund raising as the second greatest challenge they would face during the next five years (surpassed only by the related concern for adequate finance).

Unlike many other aspects of higher education, fund-raising is amenable to measurement. Campaigns offer quantitative objectives, and the "success or failure of both a college and an administration is -- in the short term -- often judged on financial solvency" (McLaughlin, 1990, p. 44b). Duronio and Loessin

(1990) identified institutions with effective fund-raising programs through stepwise multiple regression analysis; variables such as E&G expenditures, endowment, enrollment, number of living alumni, tuition, and institutional age were used to predict total voluntary support. Loessin and Duronio then analyzed institutions for which the actual dollars generated were higher than statistically predicted. However, this work led them to conclude that traditional "analysis of institutional characteristics, fund-raising expenditures, and basic fund-raising methods does not fully explain why some institutions raise considerably more money in voluntary support" than do others (1989b, p. 45).

Consequently, Loessin and Duronio completed comprehensive case studies of ten institutions -- all with especially effective fund raising programs -- and qualitatively examined a number of aspects, including planning. In this context, planning was characterized as "traditional" (e.g., with fund-raising direction derived from institutional mission, senior development management determining and communicating strategy and goals, etc.), "nontraditional," or "no formal approach." As Loessin and Duronio discovered (1989b), "Overall, planning is generally accepted as part of the fund-raising process in institutions with successful fund-raising programs and outcomes. Seven of the ten [exemplary] development departments had a formal planning process. Institutions without formal fund-raising planning were the smallest institutions with the least complex fund-raising programs" (p. 53). Moreover, Loessin and Duronio contend that <u>whether</u> -- not how -- institutional mission is set becomes a critical factor in fund-raising effectiveness.

In fact, a clearly communicated mission statement can inspire an institution's members as well as its external constituencies and, in turn, increase the amount of external support. The president becomes the primary

advancement officer of the institution by shaping and positioning institutional mission and in communicating that mission to constituencies (Slinker, 1988). Thus, to cultivate support, a college president must clearly understand his or her institution's mission, purposes, and goals since they are the roots from which institutional advancement springs. According to President Robert Shirley (1988), "All forms of outside support tend to grow when an institution has framed a specific, clear direction for the future" -- in other words, a strategic plan (p. 12).

Strategic Planning

The planning literature abundantly prescribes various planning processes (Baldridge and Okimi, 1982; Chaffee, 1984; Cope, 1978; Jedamus and Peterson, 1981; Keller, 1983; Kotler and Murphy, 1981; Schmidtlein and Milton, 1989; Shirley, 1983; Steeples, 1988), and, among these processes, strategic planning is most strongly advocated. Given current environmental constraints, an increasing number of college officials are recognizing the need to plan strategically, "to articulate clearly a vision for the future and to specify the means by which the vision is to be realized" (Shirley, 1988, p. 5). Strategic planning entails 1) scanning the external environment for possible threats and opportunities, 2) assessing internal strengths and weaknesses, 3) analyzing both external and internal information, and 4) identifying major directions that will promote institutional health and viability (Schmidtlein and Milton, 1988).

Defining the mission of the institution is the most fundamental component of strategic planning. Without clarity of mission, the small college is in no position to advance or to be advanced. Clark's (1970) study of Antioch, Reed, and Swarthmore powerfully documents the importance of clear, established priorities; in each of these institutions, consensus about priorities produced a stable base of social support among internal and external constituencies, and each institution gained an international reputation (Guskin and Bassis, 1985).

Morrill's (1988) research found that Centre College in Kentucky had successfully secured major grants from national foundations, with grant proposals derived directly from the contents of the institution's strategic plan.

Shirley (1988) views the chief benefits of strategic planning as: 1) the communication of a strategic vision, 2) heightened external support as a result of this clearly stated vision, 3) increased availability of information for resource allocation, and 4) an enhanced institutional image. Strategic planning is a proactive process which addresses the future, thus promoting increased confidence among constituencies as institutions become better positioned to chart their own course.

Other Planning Processes

The publication of George Keller's (1983) Academic Strategy popularized the use of strategic planning in higher education during the 1980s. Historically, however, Keller's work identifies management science (long-range planning) and incrementalism as the predominant planning processes in the 1950s, 1960s, and 1970s. Long-range planning refers to systematic, data-based management; it stresses data gathering and analysis prior to the formulation of goals (Jean, Posey, and Smith, 1984). Mathematical models provide the quantitative information required for decision making. Incremental planning rests on the premise that political decision making prevails in the higher education setting because colleges and universities are loosely coupled, open systems with multiple and poorly defined goals; unclear links between means and ends; and relatively autonomous professionally-staffed subunits that often cannot implement decisions made by administration. As Keller (1983) contends, many in higher education have subscribed to the "dogma that institutions of higher learning do better if they go unmanaged, muddling through incrementally. . ." (p. 143).

Of Strategic Planning and Support

Strategic planning establishes a middle ground between incrementalism and long-range planning. While strategic planning shares the incremental process' emphasis on flexibility, practicality, and participation, strategic planning is more structured and future directed. And, although strategic planning takes a long-range perspective, long-range planning does not generally incorporate true strategic thinking. Strategic planning is more dynamic and continuous than long-range planning (Ryans and Shanklin, 1986), driven by ideas rather than by data and paper (Cope, 1987).

Two principal questions enhance the management of college and university fund-raising activities: "Is there a well-articulated plan that guides all dimensions of the fund-raising effort?" and "Do these development objectives relate appropriately to the plans of the rest of the institution?" (Dunn, 1986). For instance, campaign goals must be consistent with institutional mission, with its overall objectives for the next five to ten years, and with its assessment of costs and income. Planning emphasizes the need to develop priorities and to differentiate among potential donors and soliciting methods (Loessin, Duronio, and Borton, 1986). A fund-raising effort based on institutional priorities carries greater credibility with both internal and external constituencies and, therefore, holds a higher probability of success (Whittier, 1980).

Slinker (1988) cites the particular benefits of deriving an advancement plan from the institution's strategic plan as: 1) Building confidence in an organization and its leaders by demonstrating that the organization knows what it wants and needs to accomplish; 2) Strengthening commitment to the institution through well-informed internal and external constituencies; 3) Providing accountability to all constituencies by reporting goals that have been attained; and 4) Aiding fund raising by providing direction for the types of gifts

required and for the manner in which these gifts will be used to enhance the mission of the institution.

Strategic plans, including a statement of mission and goals and objectives, should be prepared not only for the institution and the overall advancement effort but for individual programs within the advancement area (Willmer, 1981). Without a future-oriented plan, the process of institutional advancement and, specifically, its fund-raising component will prove ineffective, disjointed, and lacking in consistent direction (Willmer, 1981).

Methodology and Data Sources

Identifying the Formal Planning Process

The presidents of 215 small, independent liberal arts institutions across the United States were mailed a 10-page survey designed to classify their campus' formal planning process. The specific institutions involved in this study were selected from a national list of 507 small, independent liberal arts colleges compiled by the National Institute of Independent Colleges and Universities. Criteria for inclusion of individual campuses comprised: (1) a total full-time undergraduate enrollment of no more than 2,000 students; (2) operational existence for at least three years; and (3) full accreditation in the liberal arts category by the appropriate regional association (adapted from the criteria for membership eligibility in the Council of Independent Colleges, 1986). The final random sample included both urban and rural colleges, church-related and non-sectarian campuses, and coed as well as single-sex colleges. One hundred twenty-seven presidents (59%) responded to the survey.

The survey instrument was grounded in the works of Keller (1983), Schmidtlein (1986), and Jean, Posey, and Smith (1984). To identify a particular institution's planning process, this survey posed twenty-six questions within the two broad categories of planning areas and planning aspects. Three possible

choices for each of the questions reflected the three planning processes described above -- long-range, incremental, and strategic. However, to avoid potential respondent bias, the "long-range," "incremental," and "strategic" labels were intentionally omitted. Instead, respondents were asked to indicate which one of the three statements or descriptions best corresponded with the process employed by their institution when making plans in each of the six planning areas (students, other clientele, goals and objectives, program/service mix, geographic service area, and competitive advantage) as well as in each of the four planning aspects (response to change, reducing risk and uncertainty, defining goals, and reaching decisions on priorities).

Institutional planning processes were then classified according to the percentage of presidential responses falling within the long-range, incremental, or strategic categories. A campus was determined to employ one of these three processes when at least fifty percent of the president's responses were associated with a single planning process. (Although the more conservative criterion of 60% was initially used in categorizing institutions, a 50% minimum produced the same general pattern and also allowed for the classification of a greater number of colleges.) Any institution which indicated the presence of a formal planning process but which did not meet the 50% criterion was identified as implementing some "other type of formal planning."

Of the 127 presidents responding, twenty-six (21%) claimed to have no formal planning process. Analysis of their colleagues' replies revealed that 57 (45%) engaged in institution-wide strategic planning; 27 (21%) employed incrementalism; and the remaining 17 (13%) had adopted other variations of the planning process (Table 1). No campus was linked with long-range planning.

Fifty-five of the 57 institutions engaged in overall strategic planning had formal written plans based on their mission. This corresponds both with Glennon's (1986) conclusions and with Loessin and Duronio's (1989b) findings.

Further examination of the presidents' responses revealed that 56 of the 127 institutions (58% of the 97 respondents to the question) employed strategic planning ("action plans related to changes in the environment") for fund raising. This proportion is especially striking when viewed in relation to the planning processes described for nine other areas: enrollment, facilities, financing, pricing, academic policies, admissions standards, compensation, budgeting, and organizational structure. The facilities area was next most often linked with strategic planning (with 52% of the responses falling into that category). Forty-three of the 56 institutions engaging in a strategic process for their fund-raising component also employed campus-wide strategic planning.

Examining Fund Raising Effectiveness

Following Duronio and Loessin's (1990) model for analyzing fund-raising effectiveness, the researchers used stepwise multiple regression to develop a prediction equation for total voluntary support (indicative of fund-raising effectiveness) among colleges in the small, independent liberal arts sector. Data were drawn from the Council for Aid to Education's annual Voluntary Support of Education, including statistics for: total voluntary support, alumni support, parental support, other individual support, foundation support, corporate support, religious organization support, other organization support, E&G expenditures, endowment, enrollment, and total living alumni. Tuition was taken from the College Entrance Examination Board's Total College Costs book, and Peterson's Register of Higher Education supplied the final variable, institutional age. Complete data were available for 382 small, independent liberal arts institutions in the United States.

The seven dependent variables used in the multiple regression analysis represent institutional resources traditionally associated with fund-raising outcomes: E&G expenditures, enrollment, expenditures per student, endowment,

total living alumni, tuition, and age of institution. To maintain comparability across institutions with varying affiliations, the independent variable -- total voluntary support -- was adjusted by subtracting gifts form religious and other private organizations (Duronio and Loessin, 1990). The resulting regression equation contained endowment, tuition, age, and E&G expenditures and explained 67% of the variance in voluntary support (Table 2). This outcome was similar to the predictions equation Duronio and Loessin (1990) obtained including institutions of all types (public and private research, doctoral, comprehensive, liberal arts, and two-year institutions).

Standardized residuals were then analyzed for each of the campuses identified earlier as practicing incremental, strategic, or other forms of planning. Institutions with residual scores falling at +1.33 or above were considered especially effective while those with scores of -1.33 and below were viewed as failing to live up to their full fund-raising potential. This criterion is somewhat more stringent than that employed by Duronio and Loessin (1991) who defined an effective development program as one for which actual support divided by predicted support exceeded 1. However, the +1.33 and -1.33 ranges correspond with the upper and lower 10% of all institutions.

Separate regression analyses also examined giving for the specific groups subsumed within voluntary support: alumni, parents and other individuals combined, foundations, and corporations. The respective equations explained 68%, 11%, 26%, and 20% of the variance in support. Analysis of the standardized residuals followed for the three equations which accounted for at least 20% of the variance.

Results

Planning Processes and Effective Fund Raising

The full complement of fund-raising data was available for 107 of the original 127 campuses responding to the planning survey. These included 46

institutions (43%) engaging in strategic planning, 23 (22%) employing incrementalism, 16 (15%) associated with some other planning process, and 22 (21%) having no formal planning process (Table 3).

Predicted fund raising ability was examined within each of these four planning groups. Campuses with a standardized residual of at least +1.33 were considered effective at fund raising since the voluntary support they received exceeded the regression equation's prediction; this specific limit would place them in the upper 10% of all institutions. A total of twelve colleges emerged as particularly effective in securing overall voluntary support; five of the 46 institutions employing strategic planning (10.9%) fell within this category. Two of the 23 colleges associated with incrementalism (8.7%), two of the 16 identified as other (12.5%), and three of the 22 classified as having no formal planning process (13.6%) also proved highly successful in development efforts (Table 4).

Voluntary support from alumni, foundations, and corporations was similarly analyzed. Two campuses identified with strategic planning (4.4%), one using incrementalism (4.4%), one grouped with other (6.3%), and three linked with no formal planning process (13.6%) stood out as especially effective in obtaining alumni gifts. In the arena of foundation support, six institutions (13.0%) in the strategic planning category, one using incrementalism (4.4%), two identified as other (12.5%), and two with no formal process (9.1%) produced effective results. From the perspective of corporate giving, the most effective fund raisers were two campuses employing strategic planning (4.4%), four associated with incrementalism (17.4%), and two considered to have no formal planning process (9.1%).

Planning Processes and Unfulfilled Fund Raising Potential

The number of institutions with unfulfilled fund raising potential was, in general, slightly smaller. Only seven colleges appeared to be raising less

overall support than predicted (Table 5). Two of the 46 campuses with strategic planning (4.4%) fell within this less effective group as did three of the 23 institutions using incrementalism (13%), two of those recognized as other (12.5%), and one of those classified as having no formal process (4.5%).

Again examining specific sources of support, two campuses associated with strategic planning (4.4%), three employing incrementalism (13%), one categorized as other (6.3%), and one linked with no formal planning (4.5%) raised substantially fewer dollars than predicted from their alumni. Two institutions planning incrementally (8.7%) and one using strategic planning (2.2%) achieved less than their full potential from foundations. Corporate contributions were substantially below predicted levels for one of the campuses engaging in strategic planning (2.2%) and for one institution planning incrementally (4.4%).

Strategic Planning for Fund Raising

As noted above, forty-six institutions for which fund raising data were available engaged in campus-wide strategic planning. Thirty-four of these colleges (74%) also reported that strategic planning occurred in the fund-raising area. Three of the five strategic planning campuses with effective fund raising programs for total voluntary support had implemented a similar process in development as well (Table 6). Incremental planning prevailed in the development area for the other two colleges. Considering alumni support alone, one of the two effective strategic planning institutions also evidenced strategic planning for development while the second planned incrementally. Of the six strategic planning colleges effectively garnering foundation support, five also planned strategically for development while one employed an incremental process. Two strategic planning institutions proved effective in obtaining corporate support; one engaged in strategic planning for development and the second planned incrementally.

Discussion

Results of this analysis of fund-raising effectiveness in relation to the institutional planning process were mixed, and the data only partially supported the researchers' hypotheses. Over thirteen percent of the campuses classified as having no formal planning process emerged as effective in raising both overall support and alumni gifts. This was the highest percentage among the four planning groups in each of these two categories of support. On the other hand, the percentage of institutions gaining effective support from foundations was lower among colleges with no formal process (9.1%) than for those using strategic planning (13.0%). Similarly, the percentage of campuses effective at raising corporate funds proved lower among those with no formal process (9.1%) than for those employing incrementalism (17.4%). Thus, it cannot be categorically stated that institutions lacking a formal planning process have less effective development programs.

In addition, the above statistics clearly indicate that strategic planning is not the only process associated with effective fund raising. Most notably, corporate fund raising effectiveness was highest among colleges practicing incrementalism. Nevertheless, institutions involved in strategic planning appeared to be the most effective at obtaining foundation support. This finding coincides with Morrill's (1988) conclusion that the strategic plan proved integral to a particular college's success in securing major foundation grants.

From the opposite perspective, the percentage of strategic planning institutions considered ineffective at fund raising was low in all cases when compared against the three alternative planning types. Hence, while strategic planning is not necessarily associated with the most effective fund raising, it may mean the difference between generally expected or predicted levels of support and ineffectiveness.

Findings regarding the hypothesized superior performance of colleges

implementing both campus-wide and development-specific strategic plans are similarly mixed. Effective strategic planning institutions employed incrementalism as well as a strategic process for fund-raising planning. However, examining foundation support, a much higher proportion of the effective institutions engaged in strategic planning at the overall and development program levels. Again, this result is consistent with evidence from prior research (Morrill, 1988; Willmer 1981).

The inconclusive nature of these findings may relate in part to the relatively small numbers of institutions composing each of the four planning groups. Follow-up research should be conducted using a larger sample. In addition, it is quite possible that some form of planning really was occurring on those campuses claiming no formal written plan. If so, the planning classifications would have been skewed, contributing to the mixed results. Further insight into these findings might lie in a determination of the length of time each institution's particular planning process had been in place. For example, institutions with previously average or ineffective fund-raising results may have recently shifted to strategic planning. In such a case, the full benefits of that process might not yet be evident.

Conversely, some current authors would suggest that strategic planning is not the sole answer to effectiveness. For instance, Townsley (1991) contends that "small, underfinanced, tuition driven independent colleges. . .can rarely practice textbook strategic planning" (p. 32). Instead, he advances the notion of "enlightened brinkmanship," which demands "exceptional intuitive and market-oriented skills among the campus leaders and full-time faculty" (p. 32). Future research also should incorporate the increasingly popular Total Quality Management (TQM) approach which "adds the element of customer satisfaction to the process to assure organizational vitality and mission focus" (Miselis,

Lozier, and Teeter, 1991, p. 7). "TQM is characterized by teamwork, systematic analysis, and use of information to achieve the objective of continuous improvement" (Miselis, Lozier, and Teeter, 1991, p. 6). The shared vision it engenders should promote a heightened sense of identity and clarity of mission, and, consequently, a sold foundation for advancement.

Conclusion

Urging higher education scholars to pursue studies that are immediately relevant and useful to policy makers, Portland State University President Judith Ramaley has cited a special need for research on fund raising (1990). While fund raising is critical for all institutions of higher learning, it is perhaps most significant for small, private colleges which tend to be tuition dependent and enrollment driven. Given the time as well as the financial and political costs associated with planning for fund raising (of for any other institutional component), it is vital to determine the outcomes of the formal process, specifically whether that process translates into more effective cultivation of funds. By examining the links between planning and fund raising, the present study has built upon and augmented the small but solid core of development literature. Previous studies have focused almost exclusively on effective fund-raising programs; however, this study also incorporates the perspective of campuses with unmet fund-raising potential. While the findings were not entirely conclusive, they at least suggest a potential relationship between strategic planning and the effective cultivation of foundation support. They also imply that fewer institutions implementing strategic planning are ineffective fund raisers. Future research should probe these possibilities more deeply.

As Jefferson emphasized two centuries ago, a college or university must be "worth patronizing with the public support." However, still more essential is a clear vision for the institution and, accompanying that vision, a plan.

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Table 1

PLANNING PROCESS CLASSIFICATIONS

Long-Range		Incremental		Strategic		Other		None	
#	%	#	%	#	%	#	%	#	%
-	-	27	21%	57	45%	17	13%	26	21%

Table 2

REGRESSION ANALYSIS RESULTS

Independent Variable	% Explained Variance	Predictor Variables
Total Voluntary Support (Adjusted)	.67	Endowment Tuition Age E&G Expenditures
Alumni Support	.68	Endowment Tuition Alumni
Foundation Support	.26	Endowment Tuition Age
Corporation Support	.22	Endowment Alumni E&G Expenditures Expenditure per Student

Table 3

PLANNING CLASSIFICATIONS FOR INSTITUTIONS WITH COMPLETE DEVELOPMENT DATA

Incremental		Strategic		Other		None	
#	%	#	%	#	%	#	%
23	22%	46	43%	16	15%	22	21%

Table 4

NUMBER AND PERCENTAGE OF INSTITUTIONS WITH EFFECTIVE FUND-RAISING PROGRAMS BY PLANNING PROCESS AND TYPE OF SUPPORT

	Total Voluntary Support (Adjusted)		Alumni Support		Foundation Support		Corporate Support	
	#	%	#	%	#	%	#	%
Strategic Planning (N=46)	5	10.9%	2	4.4%	6	13.0%	2	4.4%
Incrementalism (N=23)	2	8.7%	1	4.4%	1	4.4%	4	17.4%
Other (N=16)	2	12.5%	1	6.3%	2	12.5%	-	-
No Formal Process (N=22)	3	13.6%	3	13.6%	2	9.1%	2	9.1%

Table 5

NUMBER AND PERCENTAGE OF INSTITUTIONS WITH UNMET FUND-RAISING POTENTIAL BY PLANNING PROCESS AND TYPE OF SUPPORT

	Total Voluntary Support (Adjusted)		Alumni Support		Foundation Support		Corporate Support	
	#	%	#	%	#	%	#	%
Strategic Planning (N=46)	2	4.4%	2	4.4%	1	2.2%	1	2.2%
Incrementalism (N=23)	3	13.0%	3	13.0%	2	8.7%	1	4.4%
Other (N=16)	2	12.5%	1	6.3%	-	-	-	-
No Formal Process (N=22)	1	4.5%	1	4.5%	-	-	-	-

Table 6

DEVELOPMENT PLANNING PROCESS AMONG INSTITUTIONS EMPLOYING STRATEGIC PLANNING AND CLASSIFIED AS EFFECTIVE IN FUND RAISING

	Total Voluntary Support (Adjusted)		Alumni Support		Foundation Support		Corporate Support	
	#	%	#	%	#	%	#	%
Strategic Planning	3	60.0%	1	50.0%	5	83.3%	1	50.0%
Incrementalism	2	40.0%	1	50.0%	1	16.7%	1	50.0%
Total	5	100.0%	2	100.0%	6	100.0%	2	100.0%